

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE WARREN COUNTY)	
WATER DISTRICT, WARREN COUNTY,)	
KENTUCKY TO CONSTRUCT IMPROVEMENTS)	
AND EXTENSIONS WILL BE FINANCED IN)	
WHOLE OR IN PART UNDER THE TERMS OF AN)	CASE NO.
AGREEMENT BETWEEN THE WATER DISTRICT)	97-512
AND THE KENTUCKY INFRASTRUCTURE)	
AUTHORITY; AND FOR AUTHORITY TO ISSUE)	
CERTAIN SECURITIES AS REQUIRED BY)	
KRS 278.300)	

O R D E R

On December 18, 1997, the Warren County Water District ("Warren Water") submitted its application for authority to issue certain securities, as required by KRS 278.300, by incurring an additional \$265,000.00 of indebtedness under the terms of an agreement with the Kentucky Infrastructure Authority ("KIA"). Project funding includes a loan of \$265,000.00 from the KIA in addition to the \$982,400.00 loan from the KIA which was approved in Case No. 97-229, June 16, 1997, by the Commission.¹ The loan will be for a 20-year period at an interest rate of 3.8 percent per annum. Warren Water stated in its application the full debt service requirement has been guaranteed by the City of Bowling

¹ The Application of Warren County Water District, Warren County, Kentucky, (A) for a Certificate of Public Convenience and Necessity, Pursuant to KRS 278.020, Authorizing Said District to Construct Improvements and Extensions to Its Existing Sewer System, which Improvements and Extension will be Financed in Whole or in Part Under the Terms of an Agreement Between the Water District and the Kentucky Infrastructure Authority; and (B) for Authority to Issue Certain Securities as Required by KRS 278.300, Order dated June 16, 1997.

Green and Warren County, Kentucky, and that its existing rates are adequate to meet the annual costs of the addition to the sewer system.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Warren Water's proposal to incur this additional \$265,000.00 loan is for a lawful object within Warren Water's corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

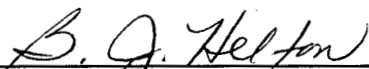
IT IS THEREFORE ORDERED that:

1. Warren Water is authorized to incur an additional \$265,000.00 of indebtedness with the KIA, at an interest rate of 3.8 percent per annum.
2. Warren Water shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of issuance of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions, or other compensation involved in the issuance and distribution.
3. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in Warren Water's application.

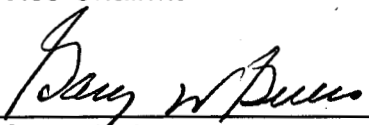
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 13th day of February, 1998.

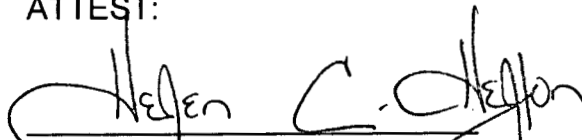
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director